

**Attachment C**  
**Terms Suggested re. Governance Issues**

**Starting with two items contained in Framework Issue “S” for which the parties have already approved agreement language, the suggested language is:**

**Composition**

**5.3 Water Advisory Committee – Composition and Voting**

(a) The Water Advisory Committee shall be composed of one designated representative selected by each water contractor and shall be assisted by a Technical Advisory Committee comprised of one non-elected representative selected by each water contractor. The Water Advisory Committee shall generally meet quarterly as it determines necessary and which shall include two meetings scheduled with a liaison to the Board of Directors of the Agency who is a member of and appointed by said board. The Technical Advisory Committee shall generally meet monthly as it determines necessary.

**Creation of Water Conservation Subcommittee**

**5.3 Water Advisory Committee – Composition and Voting**

(c) The Water Advisory Committee shall create a standing Water Conservation Subcommittee. The Water Conservation Subcommittee shall make recommendations to the Water Advisory Committee with respect to any determination of the Water Advisory Committee contemplated under Section 1.12 or Section 2.5 of this agreement, and shall perform other such duties with respect to Water Conservation Projects as may be requested by the Water Advisory Committee. The Water Advisory Committee may create such other and further standing or ad hoc subcommittees, as the Water Advisory Committee shall deem reasonably necessary to assist the Water Advisory Committee in its duties under this agreement.

**Other Governance Issues Included on the Revised Framework Issues List that the parties have not yet negotiated:**

- S    Remaining “Composition” issue: Voting to remain the same, i.e. weighted in proportion to average day peak month entitlement and require a clear majority of WAC members.**

Suggested Terms, add following to 5.3 (a):

Each water contractor's representative will be allocated a weighted vote proportional to the average day any month water delivery limit set forth in section

3.1(a) applicable to such water contractor. An affirmative vote of said Committee shall require both of the following: (1) the affirmative vote of more than fifty percent (50%) of the total weighted votes as defined above; and (2) the affirmative vote of at least five (5) representatives. If the Water Advisory Committee does not affirmatively vote to approve any matter before it for a decision, then the matter shall be deemed not approved. (Note: Change the “5” to “6” if MMWD and Town of Windsor are singers.)

- T Include language in the agreement regarding provision of information on a timely basis.**
- U Review adequacy of current reporting requirements and consider appropriate amendments, including provisions for conducting outside management audits.**
- V Memorialize a recent practice of SCWA - namely development of a website and posting of information.**

Suggested Terms:

#### 1.8 Books, Records and Accounts

(a) The Agency shall keep or cause to be kept, proper books, records and accounts in which complete and accurate entries shall be made of all monies received from all entities, including the Agency's regular customers, and of the money in the special account held by the County Treasurer of Sonoma County referred to in section 1.7, and of the basis for and application of said money including detailed sub-accounts showing expenditures made from Operation and Maintenance Charge revenues for Water Conservation Projects. Said books, records and accounts will be available during normal business hours for inspection by the water contractors or their authorized representatives. The Agency will transmit to the water contractor's two reports each year of the receipts and expenditures of the Transmission System. The first report will be issued no later than February 1 and shall be accompanied by a preliminary budget for the following fiscal year, and will show expenditures for the first half of the fiscal year together with estimated year-end expenditures and estimated expenditures for the following fiscal year. The second report will be issued after the end of each fiscal year and will contain a budgetary accounting of Transmission System expenditures, revenues and balances for the fiscal year. Each month the Agency shall supply each water contractor with a summary showing the amount of water delivered during the preceding month to each regular customer and each customer receiving surplus water. The Agency shall also establish and maintain an informational web site providing information about the water supply and services provided by this agreement and related Water Advisory Committee activities.

(b) The Agency shall provide other information and reports requested by the Water Advisory Committee and deemed reasonable and necessary by the Agency. In the event the Water Advisory Committee requests an external audit of the Agency's accounts, said request shall be deemed automatically approved by

Agency provided such request is made not more frequently than annually and provided that the cost for performing the outside audit shall be charged to the Operation and Maintenance Fund.

**W Consider alternative voting requirements to: (a) amend the agreement, and (b) for other WAC authorities.**

Suggestions:

- Alt 1. Wt'd vote based on average day of peak month entitlement (same as current method)
- Alt 2 Wt'd vote based on annual cap
- Alt 3 Wt'd vote based on last year's purchases
- Alt 4 One man, one vote

See table "Voting Power Alternatives" for comparison.